



Wyoming Lender Alert

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February 2004

Steven Despain, District Director

Making a Difference for Small Business in Wyoming



UPCOMING EVENTS

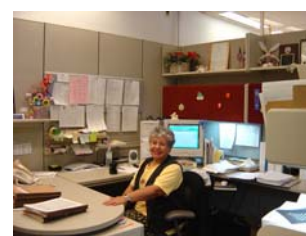
- February 3 – Women's Roundtable Meeting
Jackson
- February 4 – Women's Roundtable Meeting
Casper and Dubois
- February 5 - Women's Roundtable Meeting
Laramie
- February 10 - Women's Roundtable Meeting
Sheridan
- February 16 - HOLIDAY
- February 17 - Women's Roundtable Meeting
Cody and Cheyenne
- February 17 – 19 – GRO-Biz Conference
Gillette
- February 19 - Women's Roundtable Meeting
Powell
- February 23 - WCCE/WEDA Cheyenne
- February 24 - Business Day at the Legislature
Cheyenne
- February 24 - WNET Call

other SBA offices in this process. The first area that Wyoming will be centralizing is the liquidation function. The existing liquidation files in the Wyoming District office will be shipped to Herndon, Virginia this month. For further information, contact Steve Parker in the Wyoming District office at 307-261-6506.

January of 2004 we saw two of our long term employees depart for other adventures in life. Ernestina McConnell and Ramona Kuhn will be missed by all. We hope you will join us in wishing these two extremely valued individuals the best!



Ramona Kuhn

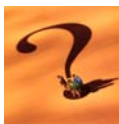


Ernie McConnell

\$750,000 Limit for 7(a) Loans

The President's economic stimulus package passed last year has generated an unprecedented level of demand from small business concerns for SBA-guaranteed loans. To date, during fiscal year 2004, SBA's 7(a) loan program is running at 40% ahead of the number of loans approved, and 45% ahead of dollars approved, at this same point in time during last year's record breaking year. Accordingly, SBA is implementing a maximum loan size of \$750,000 on regular 7(a) loans approved on or after January 8, 2004 in order to provide assistance to the maximum number of small businesses. Administrator Barreto took similar action in fiscal year 2003, establishing a maximum loan size of \$500,000, and previous Administrators also took similar action in 1997 and

DID YOU KNOW



SBA is continuing its transformation process. The goal of this initiative is to reduce costs and increase efficiencies in various SBA areas. The Wyoming District office will now be joining

1995 when faced with comparable circumstances. The \$750,000 limit should allow SBA to provide continuing, uninterrupted financial assistance. So far, this fiscal year, 95% of the small business owners seeking 7(a) assistance have been funded within the \$750,000 limit.

The \$750,000 is the gross amount of a loan or loans to a small business and its affiliates that may be approved under the 7(a) program during fiscal year 2004. SBA will not guarantee a loan where the gross amount of the loan exceeds \$750,000 while this policy is in effect. SBA-guaranteed loans to the same borrower or an affiliated business may only be approved when the gross amount of all loans to that borrower and its affiliates during fiscal year 2004 does not exceed \$750,000. 7(a) loans already made in fiscal year 2004 are to be included in calculating such gross amount.

So that the Agency makes the best use of its available 7(a) funds, we encourage 7(a) lenders to take advantage of the Certified Development Company Program (504 Program) where the small business' financing needs qualify for funding under the 504 program. The 504 program is not subject to the \$750,000 loan size limitation. Lenders should be encouraged to use the 504 program to finance eligible acquisitions of real estate, machinery, and equipment, combined with a companion 7(a) loan for other needs.

If you have any questions regarding this policy, please contact Dave Denke, Senior Loan Processor, Wyoming District Office 307-261-6523 or email david.denke@sba.gov.



PROCUREMENT CONFERENCE

2004 GRO-Biz Conference
Government Procurement
Opportunities for
Small Businesses



Senator Mike Enzi and GRO-Biz invite small businesses to a once-a-year event marketing your business to federal and state contracting agencies and prime contractors. More than 60 federal and state contracting agencies will be available to talk about the supplies and services which they buy and the procurement process.

Why Should You and Your Clients Attend?

- The perfect opportunity to meet one-on-one with federal and state contracting officers.

- Meeting professionals, contractors, and small businesses in one place saves time and money.
- Increase your knowledge about the government contracting process.
- A chance to market your business to the US Government and Prime Contractors.

When and Where:
Camplex-Gillette, WY
February 18-19, 2004

Registration fee:

Entire Conference \$ 90

Additional person \$ 45

Phone Registration through UW Conferences,
toll free 1-877-733-3618 ext. 1 or 307-766-2124

Fax: 307-766-3914

Register online: www.gro-biz.com

Other Registration information:

Gro-Biz

1400 East College Drive

Cheyenne, WY 82007

Toll free in WY 1-866-253-3300 or 307-637-4990

grobiz@wyoming.com

For exhibit info, call 307-362-2110

To see further information, and to review previous conferences, visit: www.gro-biz.com

GRO-Biz Partners:

Defense Logistics Agency

Small Business Development Center

University of Wyoming

Wyoming Business Council

Small Business Administration

YOU ASK SBA

Q. What is the maximum Amount of time I can finance a working capital loan for?



A. SBA loan maturities are determined using: the use of the loan proceeds, the prudent economic life of assts financed and the applicant's repayment ability. Working capital can normally be financed for up to 7-10 years. Machinery and equipment can be financed up to 10-25 years and real estate, building construction or purchase for up to 25 years.

Q. What about interest rates?

A. Interest Rates

<u>Loan Maturity</u>	<u>Maximum Interest Rate</u>
Less than 7 years	2 ¼% over the Prime Rate *7
years or longer	2 ¾% over the Prime Rate **

(as per the Wall Street Journal)

Note: On loans of less than \$25,000, the maximum interest rate may be two percentage points higher than those stated above. For loans between \$25,000 and \$50,000 the maximum interest rate may be one percentage point higher than those stated above.